

Message Text

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ACTION STR-04

INFO OCT-01 IO-13 ISO-00 STRE-00 SSO-00 NSCE-00 INRE-00

USIE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01

SP-02 FEAE-00 OMB-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10

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O 201605Z AUG 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1841

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 6678

ACTION STR

H PASS CODEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: MTN DEL INPUT PAPER: AMBASSADOR YEUTTER LATIN AMERICAN
TRIP, TROPICAL PRODUCTS, CONTINUED

REF: MTN GENEVA 6384

1. ANNEXES ON COUNTRY POSITIONS IN MTN TROPICAL PRODUCTS
NEGOTIATIONS FOR COUNTRIES ADDED SINCE INITIAL INPUT
TELEGRAM PREPARED ARE HEREBY TRANSMITTED.

2. CENTRAL AMERICA - (TOTAL VALUE OF US TP OFFER 1974
TRADE, \$20.8 MILLION; ESTIMATED VALUE OF US REQUEST FOR
CONCESSIONS, \$1.6 MILLION.)

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3. SIGNIFICANT PRODUCTS ON US TP OFFER FOR CACM - SUGAR,

SYRUP AND MOLASSES, INEDIBLE, TSUS 155.40, US 1974
IMPORTS \$11.6 MILLION, GUAT., SAL, NIC; LIVE PLANTS,
TSUS 125.80, US IMPORTS \$2.5 MILLION, GUAT., HON.;
SOLUBLE COFFEE, TSUS 160.20, SAL, GUAT, FLOWER SEEDS, TSUS
126.41, US IMPORTS \$1.5 MILLION, CR, GUAT.; COCOA BUTTER, TSUS
156.35, US IMPORTS \$1.5 MILLION, CR; BANANA, PLANTAIN PASTE
AND PULP TSUS 152.72, US IMPORTS \$0.7 MILLION, HON.

4. BACKGROUND - CACM DELS INITIAL REACTION TO US TP
OFFER WAS DISAPPOINTMENT THAT ONLY TEN OF SIXTY
RPDOUCTS IN THEIR REVISED TP REQUEST LIST WERE
INCLUDED IN US TP OFFER, AND THAT MANY PRODUCTS ON
US TP OFFER LIST HAD NOT BEEN REQUESTED BY CACM AND
WERE ALREADY INCLUDED IN US GSP. IN ADDITION, OVER
THREE-QUARTERS OF THE TRADE VALUE OF THE US TP OFFER
TO CACM COUNTRIES WAS ON PRODUCTS IN WHICH DUTIES
WERE ALREADY SO LOW AS TO BE INSIGNIFICANT BARRIERS
TO EXPANSION OF TRADE. (TSUS 155.40, AVE 0.2 PERCENT;
TSUS 160.20, AVE 0.0, BINDING OFFERED; TSUS 126.41,
AVE 0.1 PERCENT) CACM DELS WANTED TO KNOW POSSIBILITIES OF
THE US IMPROVING ITS TP OFFER TO INCLUDE PRODUCTS
SUCH AS THE FOLLOWING: TOBACCO, SUGAR, PINEAPPLE AND
PINEAPPLE PRODUCTS, LEMON AND ORANGE ESSENTIAL OILS, HONEY,
CUT NATURAL FLOWERS, ONIONS AND CUCUMBERS. US
MTN DEL HAS OBSERVED THAT IT WILL BE DIFFICULT TO
TAKE ACTION ON MANY OF THESE PRODUCTS WITHIN THE
CONTEXT OF THE MTN TROPICAL PRODUCTS GROUP
NEGOTIATIONS IN THAT THE US HAS LARGE PRODUCTION OF
MANY OF THESE ITEMS AND IS ALSO AN EXPORTER, THE CACM
COUNTRIES ARE NOT IN GENERAL THE PRINCIPAL SUPPLIERS,
AND THERE ARE IMPORTANT DC SUPPLIERS OF MANY OF
THESE PRODUCTS. IN ADDITION, TO IMPROVE THE US TP
OFFER, OR EVEN TO FINALIZE THE PRESENT OFFER, WILL
REQUIRE INDICATIONS THAT THE BENEFICIARY COUNTRIES
ARE ALSO PREPARED TO CONTRIBUTE TO THE NEGOTIATIONS.
CACM COUNTRIES HAVE NOT RULED OUT THE POSSIBILITY
OF MAKING CONTRIBUTIONS TO THE TP NEGOTIATIONS.
SIECA WAS TO UNDERTAKE DURING THIS SUMMER A
SERIES OF CONSULTATIONS WITH CENTRAL AMERICAN
COUNTRIES TO DETERMINE THEIR POSITION ON MAKING
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CONTRIBUTIONS, SUCH AS THOSE INDICATED IN THE US
SUGGESTED LIST OF CONTRIBUTIONS. CACM REPRESENTATIVES,
HOWEVER, WERE DUBIOUS AS TO WHETHER THE TRADE VALUE
OF THE PRESENT US TP OFFER TO THEM WARRANTED MAKING
CONTRIBUTIONS, AND, IF IT DID, THAT THE US WAS
REQUESTING TOO MUCH IN RETURN.

5. TALKING POINTS

-- THE US WOULD WELCOME RECEIVING THE OBSERVATIONS OF THE CACM COUNTRIES ON ITS REQUEST FOR CONTRIBUTIONS AT AN EARLY DATE. THE US SUGGESTION FOR CONTRIBUTIONS WAS VERY CAREFULLY PREPARED, BUT WAS NOT PRESENTED ON A "TAKE IT OR LEAVE IT" BASIS, AND WE WOULD WELCOME FRANK EXPRESSIONS OF THE POSSIBILITIES FOR THE CACM COUNTRIES TO MAKE CONTRIBUTIONS IN THESE OR OTHER AREAS.

-- CONCERNING POSSIBLE IMPROVEMENTS IN THE US TP OFFER, IT IS DIFFICULT TO DISCUSS THESE UNLESS IT IS ESTABLISHED THAT THERE IS A NEGOTIATING ENVIRONMENT WITHIN THE TP NEGOTIATIONS; THAT IS, THAT CONTRIBUTIONS WILL BE FORTHCOMING BY PARTICIPANTS IN THE TP NEGOTIATIONS IF THEY DEEM THE OFFER IS IN THEIR OVERALL TRADE INTEREST. HOWEVER, MANY OF THE PRODUCTS IN WHICH THE CENTRAL AMERICANS HAVE EXPRESSED INTEREST WOULD BE EXTREMELY DIFFICULT FOR THE US TO NEGOTIATE IN THE TP GROUP, EITHER BECAUSE THE US HAS SIGNIFICANT DOMESTIC PRODUCTION, AND IS ALSO AN EXPORTER OF SOME OF THESE PRODUCTS, OR THAT THERE ARE OTHER LARGE DEVELOPED COUNTRY SUPPLIERS WHO ARE NOT PARTICIPATING IN THE TP NEGOTIATIONS. WE DO NOT RULE OUT NEGOTIATIONS ON THESE PRODUCTS IN OTHER MTN GROUPS, HOWEVER, AND THE NOTIFICATION PROCEDURES IN GROUP AGRICULTURE FOR PRODUCTS NOT ALREADY DEALT WITH IN OTHER GROUPS WOULD APPEAR TO BE PARTICULARLY APPROPRIATE.

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SP-02 FEAE-00 OMB-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10

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O 201605Z AUG 76
FM USDEL MTN GENEVA
TO SECSTATE WASHDC IMMEDIATE 1842

LIMITED OFFICIAL USE SECTION 2 OF 2 MTN GENEVA 6678

ACTION STR

H PASS CODEL

6. TRINIDAD AND TOBAGO - (TOTAL VALUE OF US TP OFFER
1974 TRADE, \$1.6 MILLION; ESTIMATED VALUE OF US
REQUEST FOR CONCESSIONS, \$361 THOUSAND).

7. SIGNIFICANT PRODUCTS ON US TP OFFER FOR T&T - SUGAR,
SYRUP, MOLASSES, INEDIBLE, TSUS 155.40, US 1974 IMPORTS
\$1.1 MILLION; BITTERS, TSUS 168.15, US IMPORTS \$405
THOUSAND; TONKA BEANS, TSUS 193.10, \$56 THOUSAND.

8. BACKGROUND - TRINIDAD AND TOBAGO MTN DELS
INITIAL REACTION TO US TP OFFER WAS THAT BITTERS
WAS PRINCIPAL PRODUCT IN WHICH T&T HAD AN INTEREST.
T&T DEL EXPRESSED CONSIDERABLE DISAPPOINTMENT THAT
RUM NOT INCLUDED IN US TP OFFER, AND REITERATED
INTEREST OF T&T AND OTHER CARIBBEAN COUNTRIES IN
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OBTAINING MAXIMUM REDUCTION IN US IMPORT DUTIES
ON RUM DURING MTN. T&T DEL HAS STATED DURING TP
GROUP MEETINGS THAT GOTT OFFICIALS PRESENTLY SHARE
GENERAL LDC VIEW THAT LDC CONTRIBUTIONS TO TRADE
LIBERALIZATION WILL ONLY BE POSSIBLE "AT END OF
NEGOTIATIONS". ON PERSONAL BASIS, HOWEVER, T&T
DEL HAS BEEN SEEKING TO CONVINCE GOTT OFFICIALS OF
NEED TO MAKE SOME CONTRIBUTIONS WITHIN FRAMEWORK
OF TP NEGOTIATIONS. T&T DEL RECENTLY TOLD US MTN
DEL THAT ANY TARIFF REDUCTIONS WOULD HAVE TO BE AGREED
UPON BY OTHER CARICOM MEMBERS, BUT THAT US REQUEST
FOR CONTRIBUTIONS WAS UNDER STUDY AND BEING GIVEN
SERIOUS CONSIDERATION BY OTHER CARICOM MEMBERS.
AS AN EC/ACP COUNTRY, T&T HAS NOT PRESENTED A TP
REQUEST LIST TO THE EC, PRESUMABLY BELIEVING THAT
ITS MARKET ACCESS PROBLEMS WITH THE EC ARE BEST
HANDLED IN THAT CONTEXT.

9. URUGUAY - URUGUAY HAS NOT PARTICIPATED
ACTIVELY IN THE TP NEGOTIATIONS, AND DID NOT PRESENT
REQUEST LISTS TO ANY DC, INCLUDING THE US. US TP

OFFER INCLUDES SIX PRODUCTS IN WHICH GOU HAD
VERY MINOR EXPORTS TO US IN 1972-74 PERIOD, ALL OF
WHICH ARE CURRENTLY INCLUDED IN US GSP. OF THESE,
MOST INTERESTING PRODUCT APPEARS TO BE TSUS 703.65,
HEADWEAR OF LEATHER, OF WHICH URUGUAY EXPORTED
\$4,000 IN 1974. US HAS NOT HELD ANY TP CONSULTATIONS
WITH URUGUAY, AND IS NOT SEEKING URUGUAYAN CONTRIBUTIONS
TO TP NEGOTIATIONS. URUGUAY WILL BENEFIT FROM ANY
MFN TARIFF REDUCTIONS NEGOTIATED IN TP NEGOTIATIONS.
CULBERT

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Message Attributes

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04 MAY 2006

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